

Message Text

CONFIDENTIAL

PAGE 01 JAKART 00649 170558Z

11

ACTION EB-03

INFO OCT-01 EA-13 ISO-00 EUR-10 INR-10 SS-14 L-02 PRS-01

SPC-01 RSC-01 DRC-01 /057 W

----- 127130

R 171055Z JAN 74

FM AMEMBASSY JAKARTA

TO SECSTATE WASHDC 353

C O N F I D E N T I A L JAKARTA 0649

STADIS////////////////////////////////////

LIMDIS

E.O. 11652: GDS

TAGS: EFIN, ID

SUBJECT: PERTAMINA BORROWING

REFS: A) JAKARTA 11976; B) JAKARTA 12491

1. FOLLOWING IS TEXT PRESS RELEASE CARRIED BY REUTERS FROM NEW YORK, NOV 13: "TWO INTERNATIONAL BANKING SYNDICATES AND THE EXPORT-IMPORT BANK HAVE COMPLETED ARRANGEMENTS TO LEND 161 MILLION DOLLARS TO PERTAMINA, THE INDONESIAN STATE OIL COMPANY, FOR THE 100,000 BARRELS A DAY OIL REFINERY TO BE BUILT AT CILACAP, INDONESIA, IT WAS ANNOUNCED BY FIRST NATIONAL CITY BANK, LEAD BANK IN BOTH SYNDICATES.

"THE REFINERY WILL BE CONSTRUCTED BY FLUOR ENGINEERS AND CONSTRUCTORS. THE COST IS ESTIMATED TO BE 161 MILLION DOLLARS.

"FIRST NATIONAL CITY SAID THE EXIM BANK IS LENDING 54 MILLION DOLLARS AND GUARANTEEING ANOTHER 54 MILLION DOLLARS LOANED BY A SYNDICATE CONSISTING OF CITIBANK, BANKERS TRUST, MORGAN GUARANTY, CONTINENTAL BANK INTERNATIONAL AND WELLS FARO.

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 JAKART 00649 170558Z

Z A LOAN OF 53 MILLION DOLLARS WILL BE MADE BY A SYNDICATE CONSISTING OF THE SAME MEMBERS AS THE FIRST, JOINED BY JAPAN'S FUJI BANK AND SUMITOMO BANK, THE U.K.'S LLOYD'S AND BOLSA INTERNATIONAL AND NATIONAL AND GRINDLAY'S BANK, AND CANADA'S BANK OF MONTREAL. FRANCE'S BANQUE FRANCAISE DU COMMERCE EXTERIEUR, REPRESENTING A GROUP, IS ALSO PARTICIPATING."

2. THE \$53 MILLION LOAN ARRANGED BY FNCB IS IN FACT PROVIDED BY SAME SYNDICATE OF BANKS AND WITH SAME SHARE PARTICIPATIONS (FNCB 20 PERCENT) AS IN PREVIOUSLY REPORTED \$114 MILLION AND \$86 MILLION PORTIONS OF \$200 MILLION LOAN REF A. THE \$53 MILLION REFINERY AGREEMENT IS DATED 18 JULY 1973 AND CALLS FOR NON-US SOURCE FUNDING.

3. ACTION REQUESTED: QUESTION HAS ARISEN WHETHER THIS INTERNATIONAL SYNDICATE HAS COMMITTED TOTAL OF \$200 MILLION OR \$253 MILLION TO PERTAMINA UNDER THESE LOAN AGREEMENT. IF \$200 MILLION IS CORRECT TOTAL, THEN, BECAUSE FULL AMOUNT OF \$114 MILLION PORTION REPORTEDLY WAS DISBURSED BY JUNE 30, FUND REPRESENTATIVE HAS ENQUIRED IF FRB COULD ASCERTAIN WHETHER THERE IS A SPECIAL RELATIONSHIP BETWEEN FUNDS THAT MAY BE DRAWN UNDER \$86 MILLION "BRIDGING LOAN" AND THE \$53 MILLION REFINERY LOAN AGREEMENT.
GALBRAITH

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: Z
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PETROLEUM INDUSTRY, BANK LOANS, LOAN AGREEMENTS
Control Number: n/a
Copy: SINGLE
Draft Date: 17 JAN 1974
Decaption Date: 28 MAY 2004
Decaption Note: 25 YEAR REVIEW
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974JAKART00649
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: n/a
From: JAKARTA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740136/aaaabhfw.tel
Line Count: 88
Locator: TEXT ON-LINE
Office: ACTION EB
Original Classification: CONFIDENTIAL
Original Handling Restrictions: STADIS
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: STADIS
Reference: A) JAKARTA 11976; B) JAKARTA 12491
Review Action: RELEASED, APPROVED
Review Authority: golinofr
Review Comment: n/a
Review Content Flags:
Review Date: 11 APR 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <11 APR 2002 by boyleja>; APPROVED <24 DEC 2002 by golinofr>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: PERTAMINA BORROWING
TAGS: EFIN, ID, PERTAMINA, XMB
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005